

TERREBONNE PARISH ASSESSOR

Houma, Louisiana

Financial Report

Year Ended December 31, 2014

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INDEPENDENT AUDITORS' REPORT

The Honorable Loney J. Grabert
Terrebonne Parish Assessor
A Component Unit of the
Terrebonne Parish Consolidated Government
Houma, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of the Terrebonne Parish Assessor, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Terrebonne Parish Assessor's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of

accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Terrebonne Parish Assessor, as of December 31, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and schedule of funding progress on pages 4 through 7 and 33 through 34 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2015 on our consideration of the Terrebonne Parish Assessor's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Terrebonne Parish Assessor's internal control over financial reporting and compliance.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
May 13, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Management's Discussion and Analysis
As of and for the Year Ended December 31, 2014

The Management's Discussion and Analysis (MD&A) of the Terrebonne Parish Assessor's financial performance presents a narrative overview and analysis of the Assessor's financial activities for the year ended December 31, 2014. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by Government Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, issued June 1999. Comparative information between the current year and prior year is being presented in this MD&A.

FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the Terrebonne Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

- a) Management's Discussion and Analysis
- b) Basic Financial Statements
- c) Required Supplementary Information (other than MD&A)

Basic Financial Statements:

The basic financial statements present information for the Assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

- 1) Government-Wide Financial Statements, which include a Statement of Net Position and a Statement of Activities. These statements present financial information for all activities of the Assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the Assessor's overall status.
- 2) Fund Financial Statements, which include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the Assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The Assessor's only governmental fund is the General Fund.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Management's Discussion and Analysis (continued)
As of and for the Year Ended December 31, 2014

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Position
As of December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Current and other assets	\$2,873,745	\$ 2,522,596
Capital assets	<u>50,845</u>	<u>21,620</u>
 Total Assets	 <u>2,924,590</u>	 <u>2,544,216</u>
 Liabilities:		
Current	30,769	28,213
Long-term - net other postemployment benefit obligations (OPEB)	<u>2,034,188</u>	<u>1,725,097</u>
 Total liabilities	 <u>2,064,957</u>	 <u>1,753,310</u>
 Net Position:		
Investment in capital assets	50,845	21,620
Unrestricted	<u>808,788</u>	<u>769,286</u>
 Total Net Position	 <u>\$ 859,633</u>	 <u>\$ 790,906</u>

Net Position of the Assessor increased by \$68,727 or 8.7%, from the prior year. The main reason for this increase is the increase in general revenues and decrease in expenditures.

The Assessor does not have a "restricted" net position. It does have "unrestricted" net position, and those do not have any limitations on what these amounts may be used for.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Management's Discussion and Analysis (continued)
As of and for the Year Ended December 31, 2014

Statement of Activities
For the Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
General revenues:		
Property taxes	\$ 1,734,927	\$ 1,659,769
State revenue sharing	46,716	47,431
Intergovernmental	158,596	194,203
Other general revenues	<u>12,255</u>	<u>18,721</u>
Total revenues	<u>1,952,494</u>	<u>1,920,124</u>
Program expenses:		
General government	<u>1,883,767</u>	<u>1,909,039</u>
Total expenses	<u>1,883,767</u>	<u>1,909,039</u>
Increase/(decrease) in net position	<u>\$ 68,727</u>	<u>\$ 11,085</u>

The Assessor's total revenues increased by \$32,370, or 1.7%. The total cost of expenses decreased by \$25,272, or 1.3%. The increase in revenues was due to the increases in ad valorem taxes which were able to offset decreases in state revenue sharing, reimbursements of costs associated with the Terrebonne Parish Consolidated Government Geographical Information System fund, and other general revenues.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Management's Discussion and Analysis (continued)
As of and for the Year Ended December 31, 2014

CAPITAL ASSET AND DEBT ADMINISTRATION

At December 31, 2014, the Assessor had \$50,845 in net investment in capital assets including office furniture, office equipment, and four automobiles. This amount represents the total original cost of the capital assets less all applicable accumulated depreciation for the year. The table lists capital assets by type, net of accumulated depreciation:

Capital Assets		
At December 31, 2014 and 2013		
	<u>2014</u>	<u>2013</u>
Office furniture and equipment and automobiles, net of accumulated depreciation	<u>\$ 50,845</u>	<u>\$ 21,620</u>
Debt:		

The Assessor had no debt outstanding at year end.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (2015)

The Assessor considered the following factors and indicators when setting up the 2015 operating budget: (1) ad valorem tax revenue; (2) increase in salaries and related costs, such as health care and retirement contribution expenses; (3) other possible increases in the operating costs of the office while providing services to the public. The Assessor expects that next year's revenues will be sufficient to cover the office's expenses.

CONTACTING THE ASSESSOR

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the Assessor's finances, and to show the Assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Loney J. Grabert, Terrebonne Parish Assessor at P.O. Box 5094 in Houma, Louisiana, 70361-5094, or call the office at 985-876-6620.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Statement of Net Position
December 31, 2014

	<u>Governmental Activities</u>
ASSETS	
Current Assets:	
Cash and interest-bearing deposits	\$ 1,064,645
CD - South Louisiana Bank	200,517
Receivables:	
Ad valorem taxes	1,768,009
Allowance for uncollectibles	(212,716)
State revenue sharing	15,658
GIS map project	35,382
Prepaid Expenses	2,250
Total current assets	<u>2,873,745</u>
Noncurrent assets:	
Capital assets, net	<u>50,845</u>
Total assets	<u>2,924,590</u>
 DEFERRED OUTFLOWS OF RESOURCES	 <u>-</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	12,132
Payroll liabilities	5,216
Accrued liabilities	13,421
Total current liabilities	<u>30,769</u>
Noncurrent liabilities:	
OPEB obligation	<u>2,034,188</u>
Total noncurrent liabilities	<u>2,034,188</u>
Total liabilities	<u>2,064,957</u>
 DEFERRED INFLOWS OF RESOURCES	 <u>-</u>
NET POSITION	
Investment in capital assets	50,845
Unrestricted	<u>808,788</u>
Total net position	<u>\$ 859,633</u>

The accompanying notes are an integral part of the basic financial statements.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Statement of Activities
For the Year Ended December 31, 2014

Expenses:

General government:

Personnel services and related benefits	\$ 1,607,614
Operating services and maintenance	66,036
Office materials and supplies	8,147
Travel and other charges	26,365
Continuing education	10,361
Professional services	<u>165,244</u>
Total expenses	<u>1,883,767</u>

General revenues:

Property taxes	1,734,927
State revenue sharing	46,716
Intergovernmental	158,596
Interest and investment earnings	1,270
Other	<u>10,985</u>
Total general revenues	<u>1,952,494</u>

Change in net position	68,727
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Net position at beginning of year	<u>790,906</u>
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Net position at end of year	<u>\$ 859,633</u>
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The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS (FFS)

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Balance Sheet - Governmental Fund
December 31, 2014

ASSETS

Cash and interest-bearing deposits	\$ 1,265,162
Receivables:	
Ad valorem taxes	1,768,009
Allowance for uncollectibles	(212,716)
State revenue sharing	15,658
GIS map project	35,382
Prepaid expenses	<u>2,250</u>
 Total assets	 <u>2,873,745</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 12,132
Payroll liabilities	5,216
Accrued liabilities	<u>13,421</u>
 Total liabilities	 <u>30,769</u>
 Fund Balance:	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>2,842,976</u>
 Total fund balance	 <u>2,842,976</u>
 Total liabilities and fund balance	 <u>\$ 2,873,745</u>

The accompanying notes are an integral part of the basic financial statements.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
December 31, 2014

Total fund balance for the governmental fund at December 31, 2014	\$2,842,976
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:	
Equipment and vehicles, net of \$108,405 accumulated depreciation	50,845
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds. This debt is:	
Net OPEB obligation payable	<u>(2,034,188)</u>
Total net position of governmental activities at December 31, 2014	<u>\$ 859,633</u>

The accompanying notes are an integral part of the basic financial statements.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund
For the Year Ended December 31, 2014

Revenues:

Intergovernmental revenues -	
Ad valorem taxes	\$ 1,734,927
State revenue sharing	46,716
GIS map project reimbursement	158,596
Interest	1,270
Other	<u>10,985</u>
Total revenues	<u>1,952,494</u>

Expenditures:

Current -	
Personnel services and related	
benefits	1,298,523
Operating services	54,933
Office materials and supplies	8,147
Travel and other charges	26,365
Continuing education	10,361
Professional services	165,244
Capital Outlay	<u>40,328</u>
Total expenditures	<u>1,603,901</u>

Excess of revenues over	
expenditures	348,593

Fund balance, beginning of year	<u>2,494,383</u>
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Fund balance, end of year	<u>\$ 2,842,976</u>
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The accompanying notes are an integral part of the basic financial statements.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund
to the Statement of Activities
For the Year Ended December 31, 2014

Total net change in fund balance for the year ended December 31, 2014 per Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 348,593
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The change in net position reported for governmental activities in the
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 40,328	
Depreciation expense for the year ended December 31, 2014	<u>(11,104)</u>	29,224

Net increase in OPEB obligation at December 31, 2014	<u>(309,090)</u>
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Total change in net position at December 31, 2014 per Statement of Activities	<u>\$ 68,727</u>
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The accompanying notes are an integral part of the basic financial statements.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements

(1) Summary of Significant Accounting Policies

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the Assessor is elected by the voters of the parish and serves a term of four years. The Assessor assesses property, prepares tax rolls and submits the rolls to the Louisiana Tax Commission as prescribed by law.

The accompanying financial statements of the Terrebonne Parish Assessor (Assessor) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this note.

Such accounting and reporting procedures also conform to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

As the governing authority of the parish, for reporting purposes, the Terrebonne Parish Consolidated Government is the financial reporting entity for Terrebonne Parish. The financial reporting entity consists of (a) the primary government (Terrebonne Parish Consolidated Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established the criteria for determining which component units should be considered part of the Terrebonne Parish Consolidated Government for financial reporting purposes.

The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. the ability of the parish government to impose its will on that organization and/or
 - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the parish government.
2. Organizations for which the parish government does not appoint a voting majority, but are fiscally dependent on the parish government.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

3. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Even though the Assessor is an independently elected official, and is legally separate from the Parish Government, exclusion from the Parish Government's financial statements would cause the Parish Government's financial statements to be misleading or incomplete. Also, the Assessor is fiscally dependent on the Parish Government when the Parish Government has approval authority over the Assessor's capital budget. The Parish Government has approval over the Assessor's capital budget because office space is furnished to the Assessor by the Parish Government and title to real property is in the name of the Parish Government. Because of these reasons, the Assessor is determined to be a component unit of the Terrebonne Parish Consolidated Government.

B. Basis of Presentation

Government-Wide Financial Statements (GWFS)

The statement of net position and statement of activities display information about the reporting government as a whole. They include the fund of the reporting entity, which is considered to be a governmental activity. The statement of activities presents a comparison between direct expenses and program revenues for each function of the Assessor's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients for goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts of the Assessor are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The fund of the Assessor is classified as a governmental fund. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the entity or meets the following criteria:

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major fund of the Assessor is described below:

Governmental Fund -

General Fund

The General Fund, as provided by Louisiana Revised Statute 13:781, is the principal fund of the Assessor. It is used to account for and report all financial resources not accounted for and reported in another fund. The various fees and charges due to the Assessor's office are accounted for in this fund. General operating expenditures are paid from this fund.

C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery) and financial position. All assets and liabilities (whether current or noncurrent) associated with its activities are reported. Government-wide fund equity is classified as net position. In the fund financial statements, the "current financial resources" measurement focus is used. Only current financial assets and liabilities are generally included on its balance sheet. Their operating statement presents sources and uses of available spendable financial resources during a given period. This fund uses fund balance as its measure of available spendable financial resources at the end of the period.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

Basis of Accounting

In the government-wide statement of net position and statement of activities, the governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues are classified by source and expenditures are classified by function and character. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

When both restricted and unrestricted resources are available for use, it is the Assessor's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Equity

Cash and interest-bearing deposits

For purposes of the Statement of Net Position, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Assessor.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Assessor maintains a threshold level of \$500 or more for capitalizing capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Furniture, fixtures, and equipment	5-7 years
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Deferred Outflows of Resources and Deferred Inflows of Resources

In some instances, the GASB requires a government to delay recognition of decreases in net position as expenditures until a further period. In other instances, governments are required to delay recognition of increases in net position as revenues until a future period. In these circumstances, deferred outflows of resources and deferred inflows of resources result from the delayed recognition of expenditures or revenues, respectively.

Equity Classifications

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Constraints may be placed on the use, either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in either of the other two categories of net position.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

In the fund statements, governmental fund equity is classified as fund balance. Fund balance of the governmental fund is further classified as follows:

Nonspendable — amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed — amounts that can be used only for specific purposes determined by a formal action of the Assessor. The Assessor is the highest level of decision-making authority for the Terrebonne Parish Assessor. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Assessor.

Assigned — amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Assessor's policy, only the assessor may assign amounts for specific purposes.

Unassigned — all other spendable amounts.

As of December 31, 2014, fund balances are composed of the following:

	<u>General Fund</u>
Nonspendable:	\$ -
Restricted:	-
Committed:	-
Assigned:	-
Unassigned:	<u>2,842,976</u>
Total fund balances	<u>\$2,842,976</u>

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Assessor considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Assessor considers the amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Assessor has provided otherwise in its commitment or assignment actions.

E. Budgetary and Budgetary Accounting

The Assessor follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed budget is prepared for the fiscal year no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for a hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally adopted prior to the commencement of the fiscal year for which the budget is being adopted.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts included in the accompanying financial statements are as originally adopted or as finally amended by the Assessor. Such amendments were not material in relation to the original appropriations.

F. Vacation and Sick Leave

Employees of the Assessor's office earn from 10 to 15 days of vacation leave each year (depending on length of service) and 10 days of sick leave each year. Vacation leave benefits do not vest or accumulate and must be taken in the year earned. Sick leave may be accumulated up to a maximum of 400 hours. Sick leave is payable upon retirement, resignation or termination of employment at 50% of accumulated balance.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

(2) Cash and Interest-Bearing Deposits

Under state law, the Assessor may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Assessor may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2014, the Assessor has cash and interest-bearing deposits (book balances) totaling \$1,265,162.

Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Assessor's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the pledging financial institution. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit within the financial institution. These securities are held in the name of the pledging financial institution in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2014, are secured as follows:

Bank balances	<u>\$ 1,265,162</u>
At December 31, 2014 the deposits are secured as follows:	
Federal deposit insurance	250,000
Uninsured and collateral held by pledging bank not in Assessor's name	<u>1,015,162</u>
Total	<u>\$ 1,265,162</u>

As of December 31, 2014, the Assessor's total bank balances were insured and/or collateralized with the pledged securities held by the custodial bank in the name of the pledging financial institution for the Assessor and, therefore, they were not exposed to custodial credit risk.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

(3) Capital Assets

Capital asset balances and activity for the year ended December 31, 2014 are as follows:

	Balance 12/31/13	Additions	Deletions	Balance 12/31/14
Office furniture and equipment	\$ 103,144	21,138	\$ (27,739)	\$ 96,543
Automobiles	43,156	19,190	-	62,346
Totals	146,300	40,328	(27,739)	158,889
Less: Accumulated depreciation				
Office furniture and equipment	(97,637)	(4,962)	27,739	(74,860)
Automobiles	(27,043)	(6,141)	-	(33,184)
Net capital assets	<u>\$ 21,620</u>	<u>\$ 29,225</u>	<u>-</u>	<u>\$ 50,845</u>

Depreciation expense of \$11,104 was charged to the general government function.

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. During the current fiscal year, taxes were levied in June and billed to the taxpayers by the Terrebonne Parish Sheriff in November. Billed taxes are due by December 31, becoming delinquent on January 1 of the following year. An allowance is established for delinquent taxes to the extent that collection has not occurred in the two months following the close of the calendar year.

The taxes are based on assessed values determined by the Terrebonne Parish Tax Assessor and are collected by the Sheriff. The taxes are remitted to the Tax Assessor net of deductions for pension fund contributions.

Ad valorem taxes are budgeted and recorded in the year levied and billed. For the year ended December 31, 2014, special assessment district taxes were levied at the rate of 1.96 mills on property with assessed valuations totaling \$893,469,950.

Total special assessment district taxes levied during 2014 were \$1,746,618. Taxes receivable, at December 31, 2014, was \$1,768,009 and the allowance for uncollectable receivables was \$212,716.

(5) Pension Plan

Plan Description: The Terrebonne Parish Assessor contributes to the Louisiana Assessors' Retirement Fund, a cost-sharing multiple employer defined benefit pension plan administered by a separate board of trustees. Provisions of the plan are set forth in the Louisiana Revised Statutes 11:1401 through 11:1483 to provide retirement, disability and survivor benefits for the assessors and their permanent, full-time employees. The Board of Trustees of the Louisiana Assessors' Retirement

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

Fund issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Board of Trustees, Louisiana Assessors' Retirement Fund, P.O. Box 14699, Baton Rouge, Louisiana, 70898.

Funding Policy: In 2014, plan members were required to contribute 8 percent of their annual covered salary, and the assessor was required to make contributions of 13.5 percent of the salaries. In addition, the System receives one forth of one percent of the taxes shown to be collected on the tax rolls of each parish and revenue sharing funds as appropriated each year by legislature. The Terrebonne Parish Assessor's contributions to the Retirement System for the years ended December 31, 2014, 2013, and 2012 were \$103,941, \$111,226, and \$104,255, respectively.

In addition, the Assessor elected to pay all of the required employee contributions on behalf of each eligible employee. Employee contributions to the System for the years ended December 31, 2014, 2013, and 2012 were \$61,752, \$64,205, and \$61,717, respectively, and they equaled the actuarial required contributions for each year.

(6) Litigation

There is no pending litigation against the Assessor's Office as of December 31, 2014.

(7) Risk Management

The Assessor is exposed to risks of loss in the areas of general and auto liability and workers' compensation. Those risks are handled by purchasing commercial insurance. There have been no significant reductions in insurance coverage during the current year nor have settlements exceeded coverage for the past three years.

(8) Expenditures of the Assessor Paid by the Parish Government

The Assessor's office is located in the Terrebonne Parish Consolidated Government building. The upkeep and maintenance of the building is paid by the Terrebonne Parish Consolidated Government. In addition, the Consolidated Government also pays some of the Assessor's operating expenditures. These expenditures are not reflected in the accompanying financial statements.

(9) Deferred Compensation Plan

All full-time employees of the Assessor's office participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457. Employee participants may contribute a portion of their salary. The Assessor's office makes a dollar-for-dollar employer matching contribution on employee contributions up to a maximum of 10% of the employee's salary. Total contributions may not exceed the amount determined under IRS regulations in effect for each separate year. All contributions are immediately 100% vested. For the year ended December 31, 2014, employee/participant deferral contributions to the plan totaled \$72,576, and employer matching contributions totaled \$49,638. Complete disclosures relating to the Plan are included in the

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

separately issued audit report for the Plan, available from the Legislative Auditor, P.O. Box 94397
Baton Rouge, LA 70804-9397.

(10) Post-Retirement Health Care and Life Insurance Benefits

From an accrual accounting perspective, the cost of postemployment healthcare and life insurance benefits should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009, the Assessor recognizes the cost of postemployment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Assessor's future cash flows. Because the Assessor is adopting the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan Description: In accordance with the Employer Health and Welfare Benefit Plan established in November 1986, the Assessor provides certain continuing health care benefits for its retired employees. The plan is a single-employer defined benefit health care plan administered by the Assessor. The Assessor has the authority to establish and amend the benefit provisions of the plan. The plan does not issue a publicly available financial report.

Funding Policy: The Assessor contributes 100% of the cost of current year premiums for eligible retired employees and their spouses. The Assessor recognizes the cost of providing these benefits (the Assessor's portion of premiums) as an expenditure when the monthly premiums are due. The benefits are financed on a pay-as-you-go basis.

Annual OPEB Cost: The Assessor's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Assessor utilizes the level-dollar amortization method to amortize the unfunded actuarial accrued liability.

The following table shows the components of the Assessor's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the assessor's net OPEB obligation:

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

Annual required contribution	\$ 444,170
Interest on net OPEB obligation	69,004
Adjustment to annual required contribution	<u>(101,572)</u>
Annual OPEB cost (expense)	411,602
Contributions made	<u>(102,511)</u>
Increase in net OPEB obligation	309,091
Net OPEB obligation - beginning of year	<u>1,725,097</u>
Net OPEB obligation - end of year	<u>\$ 2,034,188</u>

The Assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 382,140	20.0%	\$ 1,423,703
12/31/2013	\$ 399,544	23.0%	\$ 1,725,097
12/31/2014	\$ 411,602	25.0%	\$ 2,034,188

Fiscal year 2009 was the year of implementation of GASB Statement No. 45 and the Assessor has elected to implement prospectively. Three-year trend information is presented.

Funded Status and Funding Progress: The funded status of the plan as of December 31, 2014, was as follows:

Actuarial accrued liability (AAL)	\$ 3,773,524
Actuarial valuation of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,773,524</u>
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	771,896
UAAL as a percentage of covered payroll	489%

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on values which the Assessor's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the unit credit actuarial cost method was used. The significant actuarial assumptions used in the valuation of the plan are as follows:

1. Investment return of 4% per annum, compounded annually.
2. Retirement Rates

Age	Male	Female
46-49	22.0%	22.0%
50-54	44.0%	44.0%
55-57	4.0%	4.0%
58-62	18.0%	18.0%
63+	28.0%	28.0%

3. 100% of employees who elect coverage while in active employment and who are eligible for retiree benefits are assumed to elect continued medical coverage in retirement.
4. 40% of members electing coverage are assumed to also elect coverage for a spouse.
5. The inflation rate is 6.5%.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

(11) Act 706 - Schedule of Compensation, Reimbursements, Benefits and Other Payments to Entity Head

Under Act 706, the Assessor is required to disclose the compensation, reimbursements, benefits, and other payments made to the assessor, in which the payments are related to the position. The following is a schedule of payments made to the assessor for the year ended December 31, 2014.

Agency Head Name: Loney J. Grabert

Base salary (as allowed by RS 47:1907 (A) (1) (b))	\$ 98,290
Additional salary (as allowed by RS 47:1907 (I))	10,000
Additional salary (as allowed by RS 47:1907 (J))	7,000
Additional salary (as allowed by RS 47:1907 (H) (2))	8,070
Expense allowance (as allowed by RS 47:1907 (B))	12,336
Benefits - insurance (as allowed by RS 47:1923)	18,485
Benefits - retirement--employer portion (as allowed by RS 11:1481)	18,320
Benefits - retirement--employee portion funded by employer (as allowed by RS 11:1481 (2) (b) (i))	10,855
Benefits - deferred compensation (as allowed by RS 42:1301-1309)	8,496
Per diem	1,575
Continuing education hotel accommodations	1,180
Continuing professional education fees	855
Total	<u>\$ 195,462</u>

(12) New Accounting Pronouncement

In June 2012, the GASB approved Statement No. 67, *Financial Reporting for Pension Plans* and Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB Statement No. 67 replaces the requirements of GASB Statement Nos. 25 and 50 relating to financial reporting and note disclosure of pensions plans. GASB Statement No. 68 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through plans covered by Statement No. 67. The provision of GASB Statement No. 67 must be implemented by the pension plans for the year ending December 31, 2014 and provisions of GASB Statement No. 68 must be implemented by the Assessor for the year ending December 31, 2015. The effect of implementation on the Assessor's financial statements has not yet been determined.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Notes to Basic Financial Statements (continued)

(13) Subsequent Events

Management has evaluated subsequent events through May 13, 2015, the date which the financial statements were available to be issued.

**REQUIRED
SUPPLEMENTARY INFORMATION**

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Budgetary Comparison Schedule
General Fund
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:				
Intergovernmental revenues -				
Ad valorem taxes	\$ 1,550,000	\$ 1,675,080	\$ 1,734,927	\$ 59,847
State revenue sharing	45,500	47,227	46,716	(511)
GIS map project reimbursement	180,000	123,213	158,596	35,383
Interest	500	763	1,270	507
Other	15,000	10,986	10,985	(1)
Total revenues	<u>1,791,000</u>	<u>1,857,269</u>	<u>1,952,494</u>	<u>95,225</u>
Expenditures:				
Current -				
Personnel services and related benefits	1,380,000	1,315,131	1,298,523	16,608
Operating services	65,000	57,201	54,933	2,268
Office materials and supplies	15,000	8,845	8,147	698
Travel and other charges	40,000	29,447	26,365	3,082
Continuing education	10,000	9,158	10,361	(1,203)
Professional services	180,000	175,469	165,244	10,225
Capital Outlay	190,000	75,329	40,328	35,001
Total expenditures	<u>1,880,000</u>	<u>1,670,580</u>	<u>1,603,901</u>	<u>66,679</u>
Excess of revenues over expenditures	(89,000)	186,689	348,593	161,904
Fund balance, beginning of year	<u>2,254,722</u>	<u>2,494,383</u>	<u>2,494,383</u>	<u>-</u>
Fund balance, end of year	<u>\$ 2,165,722</u>	<u>\$ 2,681,072</u>	<u>\$ 2,842,976</u>	<u>\$ 161,904</u>

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Schedule of Funding Progress
For the Year Ended December 31, 2014

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities (AAL)	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2009	-	\$ 4,249,605	\$ 4,249,605	0%	\$ 595,461	714%
January 1, 2012	-	3,773,524	3,773,524	0%	733,115	515%

**INTERNAL CONTROL,
COMPLIANCE, AND
OTHER MATTERS**

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Honorable Loney J. Grabert
Terrebonne Parish Assessor
A Component Unit of the
Terrebonne Parish Consolidated Government
Houma, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Terrebonne Parish Assessor, a component unit of the Terrebonne Parish Consolidated Government, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Terrebonne Parish Assessor's basic financial statements and have issued our report thereon dated May 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Terrebonne Parish Assessor's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Terrebonne Parish Assessor's internal control. Accordingly, we do not express an opinion on the effectiveness of the Terrebonne Parish Assessor's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of prior and current audit findings and management's corrective action plan, we identified deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiency, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of prior and current audit findings and management's corrective action plan as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Terrebonne Parish Assessor's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Terrebonne Parish Assessor's Response to Finding

The Terrebonne Parish Assessor's response to the finding identified in our audit is described in the accompanying schedule of prior and current audit findings and management's corrective action plan. The Terrebonne Parish Assessor's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Kolder, Champagne, Slaven & Company, LLC
Certified Public Accountants

Breaux Bridge, Louisiana
May 13, 2015

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan
Year Ended December 31, 2014

I. Prior Year Findings:

Internal Control Over Financial Reporting

2013-001 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Assessor did not have adequate segregation of functions within the accounting system.

Status:

Unresolved. See Item 2014-001.

Compliance

There are no findings that are required to be reported under the above.

Management Letter Items

There are no management letter items at December 31, 2013.

TERREBONNE PARISH ASSESSOR
Houma, Louisiana

Schedule of Prior and Current Audit Findings and
Management's Corrective Action Plan (Continued)
Year Ended December 31, 2014

II. Current Year Findings and Management's Corrective Action Plan:

Internal Control Over Financial Reporting

2014-001 Inadequate Segregation of Accounting Functions

Finding:

Due to the small number of employees, the Assessor did not have adequate segregation of functions within the accounting system.

Management's Corrective Action Plan:

Honorable Loney J. Grabert, Assessor, has determined that it is not cost effective to achieve complete segregation of duties within the accounting department. No plan is considered necessary.

Compliance

There are no findings that are required to be reported under the above.

Management Letter Items

There are no management letter items at December 31, 2014.